

Malawi

Table of Key Performance Indicators (Quarter 8 Results: July to September 2015)

Report Date: November 10, 2015

Compact Signing Date: Entry into Force Date: **End of Compact Date:** Compact Closeout Period:

Current Compact Budget:

20-Sep-13 19-Sep-18 20-Sep-18 to 17-Jan-19 \$350,700,000

7-Apr-11

Project/Outcome	Projected Economic Benefits and Beneficiaries	Activity/Outcome	Key Performance Indicators	Baseline	End of Compact Target	Quarter 1 through Quarter 8 Actuals (Sep 2015)	Percent Compact Target Satisfied (Sep 2015)
Compact Wide	Estimated Present Value of approximately 2014 PPP \$567 million of incremental benefits over 20-year life of the investment, compared to discounted costs of 2014 PPP \$333 Million. These income benefits are expected to accrue to 983,000 people.		Investment in Power Sub-Sector - total USD million committed by financial close	435,000,000	Pending ¹	0	Pending
Infrastructure Development Project Outcomes: Improve the availability, reliability and quality of the power supply by increasing the throughput capacity and stability of the national electricity grid	Benefits and beneficiaires are calculated at the compact level only	Nkula A Refurbishment Activity Transmission Network Upgrade Activity	Value of signed power infrastructure construction contracts	0	207,329,887 ³	18,735,000	9%
		Transmission and Distribution System Network Upgrade, Expansion and Rehabilitation Activity ²	Percent disbursed of feasibility and design contracts	0	100	83	83%
Power Sector Reform Project Outcomes: Create an enabling environment for future expansion by strengthening sector institutions and enhancing regulation and governance of the sector	Benefits and beneficiaires are calculated at the compact level only	ESCOM Turnaround Activity Outputs: Restored financial health to ESCOM; ESCOM rebuilt into a financially strong, well-managed company	ESCOM Maintenance Expenditures ratio to planned maintenance budget ⁴	129 ⁵	100	52 ⁶	52%
			Bad Debt	22	2	47 ⁷	-125%
		Regulatory Strengthening Activity Outputs: A regulatory environment, consistent with best practices in independent power utility regulation	Approved Tariff levels and schedules (Actual) (US cents/kWh)	0.06	0.12	0.10 ⁸	67%
Environment and Natural Resource Management Project Outcomes: Increase efficiency of hydropower generation		Weed and Silt Management Activity Outputs: Reduced impact of weeds and sedimentation by using mechanical measures at key generation or water flow management sites	Value of signed weed and sediment management activity contracts	0	13,732,102	532,434	4%
		Social and Gender Enhancement Fund Output: Improved land use	Grant agreements in place with civil society and private sector service providers	0	Pending ⁹	0	Pending
		management and natural resource-based economic development activities carried out by women and vulnerable groups in the Shire River Basin	Value of signed ENRM & SGA project contracts	0	11,745,141 ³	1,583,223	13%

Target to be set pending approval of an Energy Plan by the Ministry of Natural Resources, Energy and Mines.

All indicators are at the project level.

Target updated from TBD pending an M&E plan revision. Performance is measured on a quarterly basis with 100% execution targeted; this is not a cumulative indicator.

Baseline is above 100% due to outdated figures for planned maintenance budget at start of Compact.

Compact support for maintenance planning and execution has begun and mentoring planned for Q1-Q2 FY16. This will include continued procurement and budget planning and execution, along with improved maintenance planning specifically.

Bad Debt increases beyond baseline level are likely due to increasing tariffs and unit sales, creating additional collection burden. FINOPS consultancy will support efforts to address billing/collections challenges. ESCOM is in the process of moving all non-maximum demand customers, including most GoM entities, to pre-paid meters by 2017. This will limit customers on post-paid meters to a very small percentage of customers. All new residential and general customer connections are prepaid. GoM arrears to ESCOM partially cleared by MWK 200M TAF contribution and promissory note from GoM to cover all FY14 GoM arrears, but these may rise again.

Energy regulator (MERA) approved 37.28% tariff increase in April 2014 to be phased in on an annual basis over four-year period.

⁹ Target number of grants is pending M&E plan revision.